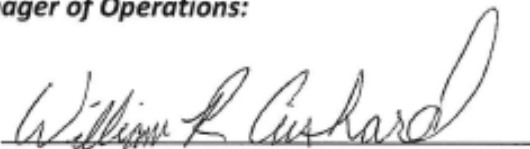




SUPPLIER QUALITY MANUAL

Supplier Quality Manual Approval Signatures:

General Manager of Operations:

Rob Cushard  Dated: 5/20/2022

Quality Assurance Manager:

Dennis Phillips  Dated: 5/20/2022

The signatures above are a commitment to the requirements and expectations of each of our suppliers. Our goal is to form a partnership and solid relationship with our supply base here at SMI Composites LLC. We have an open door policy and welcome all inquiries, concerns and solutions to all areas.

REVISION AND APPROVAL RECORD

Revision	Description	Approved By	Date
Release	First Issue	Irene Grabowski	9-15-2013
Rev. 1	Quality Policy updated	Irene Grabowski	2-04-2014
Rev. 2	Removed the word corporate	Irene Grabowski	3-28-2014
Rev. 3	Removed Director of Quality signature line; adjusted format	Alan Benard	10-27-2014
Rev. 4	Removed Operations Manager signature; added General Manager signature; added supplier record retention requirements; clarified contradictory instructions	Alan Benard	4-24-2015
Rev. 5	Changed all ISO/TS references to IATF; Updated to add new requirements, added additional quality system requirements, audits and audit criteria; Added verbiage throughout; added Quality Policy.	Deena Jeffs	2-7-2018
Rev. 6	Changed QM to Dennis Phillips, removed all year references on standards, changed supplier's rating, updated AAR inspection section, added new Quality Policy	Deena Jeffs	5-13-2019
Rev. 7	Updated General Manager of Operations; added definition of Counterfeit Part;		05/19/2022

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INTRODUCTION

SMI EXPECTATIONS:

To excel in meeting our customers' expectations, it is imperative to have a solid relationship with our suppliers. The intent of the supplier manual is to eliminate any miscommunication between SMI and our suppliers. Communication is the key to any successful partnership. To assure the highest product quality possible, SMI considers its suppliers as valuable team members.

SMI has the following expectations for their suppliers:

1. 100% on time delivery
2. 100% Quality Acceptance
3. Zero Counterfeit Parts
4. A Philosophy of Continual Improvement
5. Compliance with all Safety, Government, and Regulatory Requirements.

PURPOSE:

This manual for our external providers explains the minimum quality requirements. It is a supplement providing SMI specific requirements, which suppliers shall follow. This supplement, along with the ISO 9001, IATF 16949 and AS 9100 standards include both supplier and SMI responsibilities. This manual does not replace individual agreements or specifications, but are the minimum requirements upon which other requirements and expectations are built. Material supplied to SMI shall be produced, controlled, inspected and tested according to the requirements set forth in these documents and other applicable specifications. The official business language for all documents referenced in this quality standard shall be English. Other languages may be used with prior SMI approval.

QUALITY POLICY:

SMI Composites Quality Policy is included in this Manual and it is our wish that our suppliers share the same principles as we have committed to.

SCOPE:

This document applies to all suppliers of SMI Composites, LLC that supply product for production purposes. A electronic copy of this manual is given to the supplier and accompanied by an SMI Supplier Information Evaluation Questionnaire. It is expected that the supplier understands and utilizes this manual. All other copies can be obtained from our website at: www.smicomposites.com It is the responsibility of the supplier to check periodically for any changes that may have occurred. Any questions can be directed to the quality department at SMI.

SMI, utilizes the Automotive Industry Action Group (AIAG) format for quality systems, quality planning and statistical methodologies. Suppliers are expected to establish goals aimed at becoming fully compliant to IATF16949, and or ISO 9001 at a minimum. This manual has been written to be in alignment with the AIAG reference manuals.

DEFINITIONS:

Customer: SMI Composites LLC

Supplier: External provider to SMI – the type and extent of control applied to the supplier and the purchased product/service shall be dependent upon the effect of the purchased product/service on subsequent product realization of the final SMI product.

Counterfeit Part: An unauthorized copy, imitation, substitute, or modified part, which is knowingly misrepresented as a specified genuine part of the manufacturer.

Publications from the Automotive Industry Action Group, (AIAG), referenced in this manual and used as a guide to establish the requirements for Suppliers.

1. Advanced Product Quality Planning and Control Plan (APQP)
2. Potential Failure Mode and Effects Analysis (FMEA)
3. Measurement Systems Analysis (MSA)
4. Production Part Approval Process (PPAP)
5. Quality System Requirements: IATF 16949/ISO9001
6. Statistical Process Control (SPC)

PROCEDURE:

Management Responsibility

Suppliers will have methods in place to measure customer satisfaction. These measurements should be used in identifying the need for corrective and preventive actions, as well as continual improvement. SMI will employ Supplier ratings as a method of measuring satisfaction.

The Supplier's rating is comprised of the following areas:

1. Quality 50%
2. Delivery 50%

The minimum score to achieve is 70%, maximum is 100%. Suppliers that achieve the 100% rating will be considered first for new business. For scores that are below 70% the Supplier is required to submit a formal corrective action and an onsite supplier evaluation may be conducted.

Suppliers are to identify a primary contact for both normal and emergency communications with SMI, for all shifts. Suppliers are to notify SMI of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and where required, obtain approval.

If a specific manufacturing or supporting process is applied (e.g. heat treatment, welding, plating, coating, injection molding, etc.) the supplier has to meet the requirements of the corresponding AIAG CQI Standard.

The following information is to be sent to SMI.

3. Company Name
4. Company Address
5. Contact Name
6. Contact Phone and Fax Numbers
7. Contact E-mail Address
8. EDI / ASN capability

SMI will then send the same information to the supplier.

SUPPLIER SELECTION PROCESS: - (Reference PUR-001)

All suppliers of raw materials used in the production of customer product must be at a minimum ISO9001, preferably IATF16949 compliant. Suppliers who are not third-party certified may be approved under special circumstances as determined by SMI Composites/Mayco Management on a case by case basis. A Quality Audit or supplier evaluation will be conducted by the SMI Quality and Purchasing departments to assure compliance.

It is the Supplier's responsibility to ensure that all regulatory documentation such as MSDS, IMDS etc. is provided to SMI as required. It is the Supplier's responsibility to ensure that all "due dates", requests for quote, PPAP submissions, corrective actions, preventative actions etc. are met.

The supplier shall adhere to referenced OEM Customer requirements as communicated per SMI documentation. Please refer to: <http://www.iaob.org/> for an outline of OEM Customer requirements. The supplier shall adhere to all statutory and regulatory requirements in the country of receipt, the country of shipment and the customer identified country of destination if provided. The supplier in turn, shall cascade all SMI's and applicable OEM requirements to their suppliers.

QUALITY SYSTEM:

Suppliers should develop and implement a documented quality management system to control processes and insure quality. Suppliers to SMI must meet one of the following minimum quality system requirements:

- Third party registration to ISO 9001 by an accredited third party certification body, unless otherwise specified by the customer
- Certification to ISO 9001 with compliance to other customer defined Quality Management System requirements, such as MAQMSR (Minimum Automotive Quality Management System Requirements) through 2nd party audit.
- Certification to ISO 9001 with compliance to IATF 16949 through 2nd party audits.
- Certification to IATF 16949 through third party audits.

Under special circumstances a supplier, established by SMI, certification or certain specified elements of ISO 9001, IATF 16949 or AS 9100 may be waived.

Suppliers must allow for system audits by SMI and its customers for any of the following reasons.

1. The Supplier is being considered for new or additional business.
2. The Supplier scored low on the quarterly supplier performance data.
3. The Supplier failed to submit acceptable PPAP or corrective action reports.
4. When the quality of supplied product does not meet the PPAP, Drawing, Math Data requirements and / or shows evidence of deterioration.
5. To assist the Suppliers in improving performance as needed or requested.

AUDITS/SUPPLIER ASSESSMENTS:

Conditions which could warrant 2nd party audits include the following as a minimum:

- Supplier Risk Assessment
- Supplier Monitoring (Quality/Delivery performance)
- Supplier QMS Development
- Product Audits
- Engineering changes
- Process changes
- Plant location changes (e.g. Tool transfer) which also requires a new PA and PDR and PPAP submission

AUDIT CRITERIA:

The criteria for these audits focus on certification, performance, product and process changes (Reference PUR-002). However, other criteria may be utilized. SMI shall determine the appropriate criteria and communicate this information to the supplier's Quality/Sales Department.

PPAP REQUIREMENTS (Production Part Approval Process)

Suppliers are to submit a PPAP package in accordance with the AIAG Production Part Approval Process Manual, 4th edition. Level three is the default submission for PPAP. Any other Level submission PPAP's such as Level 1, 2, 4 or 5, must be approved by SMI prior to the supplier submitting. All approvals must be in writing to be valid, and be from the Director of Quality at SMI.

The total PPAP package including sample parts and related documents, for example; IMDS, Material Certifications, Test Reports etc, are to be submitted in English or be accompanied by complete translations. The PPAP package is to be labeled with "PPAP Enclosed – Please forward to the Quality Department".

The label must include the following:

- Part Number
- Part Name or Program Name
- Purchase Order Number
- Date of Submission
- PPAP Parts Included – Yes or No

In preparation for the PPAP submission, the Supplier must develop the following process control tools in accordance with the AIAG manuals and are to be used as a guideline to improve the process.

- A Process Flow Chart of the process used to produce product.
- A PFMEA – Process Failure Mode and Effects Analysis
- A Control Plan

The PPAP must include six (6) sample parts per cavity, each tool, with full dimensional layout. Any change on quantity must be approved by the Director of Quality at SMI, and be in writing to be valid.

Dimensional reports need to be correlated with a “Ballooned Drawing” as appropriate and all the dimensions on the drawing, including title block and notes. Data should be in summary form showing out of tolerance readings.

Process Capability studies and analysis of data is to be performed on key or critical characteristics, as determined by SMI. If no key or critical characteristics are determined, then it is the responsibility of the supplier to pick or designate them, based on previous history, and submit those to SMI for approval. CP, CPK and PpK values are to be calculated and submitted with the PPAP.

A minimum of thirty piece studies are to be submitted, from a 300 piece production intent run.

No PPAP that deviates from the established requirements can be submitted without prior written approval for deviation from SMI, with the necessary associated documentation. Once the approval is obtained for deviation, the supplier will include the written approval from the Director of Quality at SMI, in their submission package.

The PPAP may be rejected, approved or given an interim approval by the SMI Quality Assurance Manager.

Suppliers must also clearly identify each box, each shipment for product that is not yet fully PPAP approved. Suppliers must first obtain an interim approval or deviation to do so, and can only ship per these documents, until expiration of the deviation or interim or full PPAP approval is achieved. A new submission of the total or partial PPAP package will be required if the original submission is rejected. SMI must submit a full explanation with the reason for the rejection and include the new requirements to the supplier.

A PPAP warrant that is marked “Interim Approval” is sent to the supplier along with an explanation of what is required to gain “Full Approval” and the date that the “Interim Approval” expires.

On the date that the “Interim Approval” expires, the status of the PPAP reverts to “Rejected”, unless an extension has been granted or the warrant has been signed granting full approval. At the time of expiration, the supplier can no longer ship product and must obtain an extension from SMI to ship.

Labs used for testing for PPAP submission must be certified as follows:

- If the supplier utilizes its own internal lab for testing the supplier must be ISO/IATF16949 registered. The testing performed must be covered under the lab scope.
- If the supplier utilizes a third party lab, the lab must be ISO/IEC 17025 certified. The testing performed by the lab must be covered under the lab's scope of accreditation.
- If there are other specific requirements for the testing facility, the supplier will be informed.
- All certification testing must have been completed within one calendar year of the PPAP submission.
- All certifications must include a copy of the required results, detailed test data and a statement of compliance.
- The person who performed the test or inspection must sign and date all reports.
- All deviations, exceptions, extensions, etc. must be approved in writing, by the QE assigned to the affected project.

INTERNATIONAL MATERIAL DATA SYSTEM - IMDS :

It is a requirement of each supplier to submit to SMI their IMDS information for each component.

This is to be completed prior to submission of the level three PPAP to SMI. The IMDS number that is used must be included on the PSW from the supplier. The SMI IMDS number is XXX. It is the Suppliers responsibility to keep current their IMDS for system upgrades and for component changes. If a supplier fails to complete their IMDS, the submission package will be rejected. Should a supplier require assistance with IMDS they should inquire with the Quality Department in writing.

CONTRACT REVIEW :

Suppliers must maintain records of contracts in accordance with the requirements of the business operating system requirements manual or written agreements with SMI.

DESIGN CONTROL:

All designs for tooling used to produce product for SMI, must be shared with SMI, if requested by SMI.

DOCUMENT AND DATA CONTROL:

All documents including prints, drawings, manuals, specifications, functional parts received from SMI etc, are the property of SMI and must be returned to SMI upon request or at the end of the contract to do business. When SMI issues revised prints, specifications or manuals, the obsolete copies must be marked obsolete, destroyed, or returned to the proper SMI contact.

PURCHASING:

Suppliers to SMI are fully responsible for all aspects of controlling the quality and delivery of product and/or services from sub-suppliers/subcontractors.

Suppliers are responsible for flow-down to their external providers of all SMI and customer requirements. Supplier must ensure that all persons, including providers, are aware of their contribution to product or service conformity, product safety, and the importance of ethical behavior.

Suppliers must upon request, from SMI, provide PPAP submissions for material, certificates of compliances or services from sub-suppliers/subcontractors.

Suppliers will ensure that all certificates and other required documentation is available for product and or services from sub-suppliers/subcontractors.

Suppliers must grant right of access to SMI, SMI customers, regulatory authorities to the applicable areas of your facilities and to applicable documented information, at any level of the supply chain. Suppliers upon request will arrange for a SMI representative to visit sub-suppliers/subcontractors.

SMI suppliers will maintain their supply-base in the same manner as they are requested to from their customers, and per the requirements set-forth in ISO9001 and IATF16949. On occasion, the Supplier must use SMI customer-designated or approved external providers, including process sources [e.g., special processes].

When a sub-supplier/subcontractor is used without certification, it is the Supplier's responsibility to manage that sub-supplier/subcontractor accordingly, and if necessary, to start the de-sourcing process to find a supplier that does comply. This should start six months from the time of award of business.

CONTROL OF SUPPLIED PRODUCT:

Suppliers will store and maintain all products supplied from SMI, in a manner that will prevent damage or loss. Any supplied product that is damaged, lost or otherwise unusable must be documented and reported to SMI in a timely manner.

Tools, equipment and returnable packaging owned by SMI must be permanently marked so that the ownership of each item is visually apparent. Tools and equipment as provided and owned by SMI cannot be used for any other customer, without prior written approval from SMI.

Reusable packaging owned by SMI must be handled and stored in a manner that will prevent damage or loss. It is the responsibility of the supplier to maintain records of inventory of the reusable packaging. Prior to use, it is the suppliers responsibility to inspect, clean and repair or replace all reusable/returnable packaging to ensure that the packaging will protect product during storage and during transit.

PRODUCT IDENTIFICATION AND TRACEABILITY:

Suppliers will ensure that all products are identified according to print and/or purchase order requirements and specifications.

Unless otherwise specified by SMI, Suppliers will utilize an effective system, such as unique lot numbers and date stamps, to maintain lot traceability of raw and/or finished material.

Whenever possible, material received by SMI must have the outside of each carton marked with the following and have two (4" x 6 ") Barcode label with the following information:

- Part Number / Revision Level
- Part Name
- Quantity
- Purchase Order Number
- Date of Manufacture
- Lot Number
- Supplier Name
- Supplier's Number

Any failure to properly label product, will result in a rejection of the material. A charge back will be issued to re-label the material or a disposition of it.

SMI may request material prior to formal approval for evaluation purposes. Material shipped prior to PPAP approval must have the outside of each carton marked as follows "Sample Parts" and have the appropriate documentation with the sample parts.

- This does not apply to items which have interim approval.
- Matching barcode labels and "Sample Parts" labels shall be on adjoining sides of each carton.
- "Sample Parts" are to be on Orange Barcode stock, unless otherwise noted.

PROCESS CONTROL :

Suppliers must identify and plan production, installation and servicing processes that directly affect the quality of product supplied to SMI. Suppliers must ensure that these processes are carried out under controlled conditions.

Suppliers will have documented procedures for process monitoring, as well as detailed operator instructions for all employees having responsibilities for operation of processes. The supplier must notify SMI of changes to processes, products, or services, including changes of any external providers or location of manufacture, and obtain SMI's approval.

All instructions should be accessible at the workstation, including receiving and shipping. The instructions should be derived from the PFMEA (Process Failure Mode Effects Analysis) and Control Plan.

Where key characteristics (control dimensions) are identified on the print, SMI requires that the Supplier monitor the process capability on an on-going basis. Each of these items must be identified on the Control Plan. For all control dimensions, SPC data showing capability must be submitted with the PPAP package.

Capability studies require a check of 100 pieces taken from 300 piece run. The process must achieve a CpK of 1.67 or higher. Gage R&R studies must be submitted with the PPAP package for all gages. SMI may require submission of SPC data on a regularly scheduled basis.

Suppliers must maintain records of all process changes and the effective dates.

A new PPAP must be submitted and approved by SMI, prior to implementing any process or material changes. Suppliers must notify SMI of a process or material change and submit a new PPAP.

For Suppliers manufacturing parts designated by the customer as "Appearance Items", the following requirements must be met:

- Appropriate lighting for evaluation. SMI may specify the lighting requirements for the inspection of product.
- Masters for color, grain, gloss, metallic, brilliance, texture, distinctness of image (DOI) as appropriate. All masters must be signed and dated by an SMI representative or customer.
- Color checks or match must be conducted in an approved lighting source, must be calibrated and those making decisions affecting appearance must be trained.
- Boundary samples exhibiting the maximum allowable defect, (max limit samples) may be provided by SMI. All boundary samples must be approved and dated by SMI. In addition to, the supplier may initiate boundary samples and may use those samples with SMI's approval.
- Maintenance and control of appearance masters and evaluation equipment must be maintained.

INSPECTION AND TESTING:

Suppliers are to establish and maintain documented procedures for inspection and testing activities to insure that the specified requirements for the product are met. The control plan may satisfy this requirement.

Supplier must have a documented process for the prevention of the use of counterfeit parts.

Product should not be moved to subsequent processes or shipped until all inspections and tests have been successfully completed and the results documented, unless positive recall procedures are utilized.

The quality plan (control plan) should include inspection of incoming product at all stages. This includes sub-supplier/subcontractor processes for example: sending product out for paint and then re-inspecting product upon re-entry into the plant.

All inspection and test records will be maintained, stored, and available for review by SMI for a period of time prescribed for retention of records in the Quality Records section of this manual.

The Supplier's test and inspection laboratory should be operated and maintained in accordance with ISO17025 and have the laboratories scope available for review.

INSPECTION AND TEST STATUS:

All Products of SMI must be tagged or labeled showing inspection and or test status throughout the process.

Supplier may be required to provide test specimens for design approval, inspection/verification, investigation, or auditing.

When required by SMI, additional verification/identification and or certification requirements are met for product.

CONTROL OF INSPECTION, MEASURING AND TEST EQUIPMENT:

Suppliers of SMI, must maintain calibration records for all inspection and test equipment used to make pass/fail decisions on products manufactured for SMI.

All calibrations must be current and all test or inspection equipment tagged or labeled showing current calibration status.

All masters and boundary samples must be controlled and included in the document and data control system.

CONTROL OF NON-CONFORMING:

Suppliers must request a deviation prior to shipping any product that does not meet all specified requirements, or that was produced outside the process approved by the PPAP. This should only be used in the rare instance where there is data to show that the product is usable by SMI. Shipment is authorized after SMI does an evaluation and has notified and received approval from customers to SMI. An approval signature from the SMI Quality Assurance Manager on the requested deviation authorizes shipment.

All rework and/or repair which is not part of the normal process (process approved as part of PPAP) must be authorized, in writing by SMI Quality Assurance Manager prior to shipment of product.

Suppliers must contact SMI immediately of non-conforming processes, products, or services and obtain approval for its disposition.

When defective material is detected at SMI, an DMR (Defective Material Report) is completed and sent to, via fax or email to the Supplier detailing the nature of the problem, the part number and quantity of parts involved. The supplier is to document the reason for the nonconformance and the corrective action on a proper 8D/5Why form and return it to the SMI Quality Assurance Manager.

The Supplier is required to respond within 24 hours of the DMR (Defective Material Report) date, the initial response to the problem, concern or issue. Root Cause analysis must be completed in a timely manner usually within two weeks and include permanent corrective actions. An associated "5 Why" or "Fishbone Diagram" should be included to show how the root cause was identified.

The Supplier's performance rating for the current period will be negatively impacted by each DMR issued.

Upon notification that nonconforming product has been detected at SMI the Supplier must contact SMI immediately; to discuss options and disposition of the nonconforming product. The Supplier may choose to have nonconforming material returned to their facility, scrapped at SMI or if approved by SMI (in writing), arrange for the material to be sorted and or reworked.

The supplier is responsible for all transportation charges associated with returning nonconforming material. A charge for rework, sort and other fees apply as appropriate to the nature of the issue and/or if SMI has to implement containment action to protect SMI and their customers from suspect/defective product. (A list of rates per every item are referenced in the Appendix A)

SMI may refuse to allow sorting and or rework on nonconforming material. All rework must be approved by SMI on an individual basis. All reworked material must be identified in a method approved by SMI, and re-inspected. The Supplier is responsible for all costs associated with sorting and or reworking nonconforming material.

SMI is responsible for the supervision of personnel performing sort and or rework of nonconforming material at SMI, including 3rd party containment companies.

If SMI has not received a response from the supplier within five (5) days of issuing a defective material notice, a debit memo is issued. If a response is not received within ten (10) days of issuing a defective material notice, the defective material may be returned to the supplier without authorization.

When defective product is detected at SMI, the Supplier will provide for sorting, rework, or replacement of parts to ensure that production needs are met. When necessary to support production requirements, SMI may sort and or rework rejected material and charges back the cost without approval from the responsible Supplier.

CORRECTIVE AND PREVENTIVE ACTION:

When a request for a corrective action report is received from SMI, the response must be documented on an 8D form; preferably the Suppliers corrective action form or SMI can provide their form for the supplier to use.

Special attention must be given to identification of the root cause and action to prevent recurrence. The root cause must show systemic corrective actions.

When a request for a corrective action report is received from SMI, a response detailing the short term containment action(s), must be received by SMI within twenty-four (24) hours after being issued.

All responses must be reviewed and approved by the SMI Quality Assurance Manager. If the SMI Quality Assurance Manager rejects a corrective action response, the Supplier is required to respond with a different corrective action within ten (10) days from the rejection date and show permanent corrective actions are in place.

HANDLING, STORAGE, PACKAGING, PRESERVATION AND DELIVERY:

The supplier is required to develop procedures to handle, store, package, and ship materials in a manner to ensure that it meets all functional and appearance specifications upon arrival at SMI.

The supplier is required to plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered SMI.

Material may be rejected at SMI incoming/receiving inspection due to damaged or incorrect packaging. If the packaging is not adequate to protect the material during handling and storage at SMI, then it must be addressed immediately.

Whenever it is possible, the material supplied to SMI must be on pallets that can be moved with standard warehouse equipment.

All packaging labels must be positioned in a manner that allows the package labels to be read without rearranging the material on the skid.

When a shipment contains several cartons of the same product/part, cartons may be placed in the center of the skid, thus hiding the labels.

All material supplied to SMI must be packaged, labeled, and shipped in accordance with the guidelines set forth in the SMI Supplier Quality Manual and/or the Purchase Order.

Suppliers must have on file documentation which certifies that the raw materials used in the production of SMI meets the print specifications.

Suppliers are required to provide material certifications, certificate of analysis, certificate of compliance, or test/data reports with each shipment.

When the total quantity of material specified on the release is not received at SMI within the time as stated on the release or a quantity less than the amount specified is received, the Supplier will receive a notification and be expected to complete a corrective action (8D)/(5 Why).

The Suppliers performance rating is also negatively impacted by failure to respond on or before the response due date, if it was submitted by SMI.

All restricted, toxic and hazardous materials shipments must include a blanket warrant or certificate that shows products comply with governmental and safety regulations with regard to packaging, labeling, storage, handling and first aid instructions.

CONTROL OF QUALITY RECORDS:

The minimum record retention period for documented information required for Suppliers for all product and process related records will be no less than 7 years. SMI may require extended retention periods in some cases.

INTERNAL QUALITY AUDITS:

Suppliers are required to develop an internal audit program with qualified auditors to insure all established policies and procedures are being followed.

TRAINING

Suppliers are also required to maintain training records for all employees who are required to make pass/fail/quality decisions on parts supplied to SMI.

STATISTICAL TECHNIQUES:

Suppliers should investigate opportunities to utilize statistical techniques as defined in the AIAG SPC (Statistical Product Control) Reference Manual.



SUPPLIER CORRECTIVE ACTION PLAN

Section 1 Category - Mark (highlight or circle number) One Box Below						
1 - Internal Audit	2 - External Audit	3 - Customer Complaint	4 - Employee Suggestion	5 - Nonconforming Product / Process	6 - Supplier Problem	7 - Other
Customer Name:						
Part #:			Description:			
Job #						
Section 2						
Team:				Issue Date:		
Describe Problem: (Use additional sheets, drawings, sketches, etc., if necessary)						
Containment & Short Term Corrective Action:						
Define and Verify Root Cause:						
Permanent Corrective Action:				Target Date:		
Verify Corrective Action:						
Preventative Actions / Lessons Learned:						
CAR Effectiveness Verified By:					Date:	

Supplier Charge Back Schedule

ITEM	COST (US\$)
Administration Fee NCR (Separate issue)	\$250.00 per issue
Administration Fee NCR (Repetitive issue)	\$500.00 per issue
Sort / Rework / Material Handling	\$35.00 per hour
Rework / Sorting performed in house at SMI facilities	\$100.00 per day (Third Party Containment Administrative Fees)
Third Party Containment at SMI	\$30.00 per person / per hour
Overtime charges due to hours worked as a result of Non-conforming material required to meet Customer Releases	\$25.00 per hour in addition to basic rate of \$30 per hour.
Late PPAP	\$150.00 each occurrence
Rejected PPAP	\$150.00 each occurrence
Review and Disposition of Accumulative Non-conforming material	\$150.00 per month plus additional cost of the material.
Downtime due to material shortage	\$Actual Cost
Premium Freight	\$Actual Cost
Costs incurred at SMI's customer due to a supplier issue.	\$Actual Cost
Additional costs; travel, supplies, mileage, hotels etc.	\$Actual Cost
3 rd Party Sort at supplier's expense of sort, associated expenses, travel	\$Actual Cost



QUALITY POLICY STATEMENT

It is the policy of SMI Composites, LLC that all products and services are produced in an environment of continuous improvement that is delivered to our customers on time. We will meet or exceed all customer requirements with respect to performance, quality, and reliability.

"SMI Composites, LLC is committed to excellence and the success of our customers, shareholders, and employees by providing products and services that are of the highest quality at a competitive price to the markets we serve."

Rob Cushard:

General Manager of Operations – SMI Composites, LLC

Dennis H. Phillips:

Quality Manager – SMI Composites, LLC